



To: Chair Robert Britto and Members, Senate Committee on Commerce  
From: Jessica David, President of Local Return  
Date: April 14, 2026  
Subject: Testimony in support of Senate Bill 2206

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Thank you for the opportunity to submit this testimony. **I write today to express our strong support of S2206.**

Local Return is a nonprofit organization dedicated to building community wealth in historically disinvested neighborhoods in Rhode Island through community ownership and investment. We work to keep assets local, end economic leakages, and stop financial extraction.

S2206 would prevent the predatory financial practices of fintech lenders who are getting around Rhode Island's interest rate caps (of between 21% and 36% depending upon the size of the loan) by claiming their products are offered by banks in Utah (or elsewhere with higher interest rate caps). Fintech companies should not be permitted to take advantage of Rhode Islanders by using dubious loopholes such as these.

The bill offers two straightforward solutions: establishing that whoever has the "predominant economic interest, risk, or reward" in the loan is the true lender, and opting Rhode Island out of a federal statute that permits banks chartered in one state to export their higher interest rate caps to Rhode Island.

We stand with our colleagues in the Rhode Island Coalition for Predatory Lending Reform in asking for your continued support of fair lending practices. Thank you for your consideration.